

AMENDED IN ASSEMBLY APRIL 26, 2007

AMENDED IN ASSEMBLY MARCH 29, 2007

CALIFORNIA LEGISLATURE—2007–08 REGULAR SESSION

ASSEMBLY BILL

No. 761

Introduced by Assembly Member Coto

February 22, 2007

An act to *amend Section 11541.5 of, and to add Section 14838.1 to, the Government Code, relating to state contracts.*

LEGISLATIVE COUNSEL'S DIGEST

AB 761, as amended, Coto. State contracts: infrastructure bonds: small businesses.

(1) Existing law requires the Department of Technology Services to create a link to state agency Web sites from the California Internet portal for small businesses and entrepreneurs to access information regarding startup requirements and regulatory compliance.

This bill would require the department to create links for small businesses to also access information regarding specific state bonds and would delete the reference to entrepreneurs.

~~Existing~~

(2) *Existing* law provides for various programs to encourage the participation of small businesses, as certified by the Department of General Services, in state agency contracts, and sets forth the duties of the Director of General Services and the directors of other state agencies in this regard.

This bill, in order to encourage the participation of small ~~and underrepresented~~ businesses in the construction of the state's infrastructure, as provided in specified infrastructure-related bond acts

of 2006, would additionally require the Director of General Services to establish ~~goals~~ *a 25% goal for the participation of small and underrepresented businesses in the construction of the state's infrastructure, as provided in those bond acts, to develop a process for awarding those contracts that are financed with the proceeds of the bond acts, to give special consideration and provide assistance to small and underrepresented businesses, as provided, and to consider establishing preferences for small and underrepresented businesses in awarding those specified contracts to give assistance to all bidders, but especially small businesses, in complying with the bidding procedures for contracts financed with the proceeds of the bond acts, and to work with the Director of the Office of Small Business Advocate to hold workshops throughout the state to assist small businesses in understanding the process for bidding on contracts financed with the proceeds of the bond acts.*

This bill would also require each department, on and after January 1, 2009, and annually thereafter, that has awarded any contract financed with the proceeds of the infrastructure-related bond acts in the previous calendar year to report to the Director of General Services on the percentage of small businesses that have been awarded those contracts, and would require any department that did not award at least 25% of those contracts to small businesses to include in its report a plan of action to award at least 25% of the contracts to small businesses during the next calendar year.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 11541.5 of the Government Code is
- 2 amended to read:
- 3 11541.5. (a) The Department of Technology Services shall
- 4 create ~~a link~~ *links* to state agency Web sites at the State of
- 5 California Internet portal specifically for ~~the use of~~ small
- 6 businesses, ~~designed to assist entrepreneurs and small business~~
- 7 ~~owners in accessing~~ *to access* information regarding startup
- 8 requirements ~~and~~, regulatory compliance, *and state bonds, as*
- 9 *specified in Section 14838.1, applicable to the particular business.*
- 10 (b) For purposes of this section, "small business" has the same
- 11 meaning as set forth in Section 14837.

1 ~~SECTION 1.~~

2 ~~SEC. 2.~~ Section 14838.1 is added to the Government Code, to
3 read:

4 14838.1. (a) In order to encourage the participation of small
5 ~~and underrepresented~~ businesses in the construction, including
6 alteration, demolition, repair, or improvement, of the state's
7 infrastructure, as provided in the infrastructure-related bond acts
8 of 2006, the Director of General Services shall do all of the
9 following:

10 ~~(1) Establish goals for the extent of participation of small and~~
11 ~~underrepresented businesses in the construction, improvement,~~
12 ~~rebuilding, or repairing of the state's infrastructure, as provided~~
13 ~~in the infrastructure-related bond acts of 2006.~~

14 ~~(1) Establish a 25 percent small business participation goal by~~
15 ~~all departments awarding contracts financed with the proceeds of~~
16 ~~the infrastructure-related bond acts of 2006.~~

17 (2) Develop a process for awarding contracts that are financed
18 with the proceeds of the infrastructure-related bond acts of 2006,
19 which affords California small ~~or underrepresented businesses~~
20 ~~every opportunity~~ businesses the opportunity to be notified of
21 upcoming requests for proposals, and to bid on, and be awarded,
22 those contracts.

23 ~~(3) Give special consideration to small and underrepresented~~
24 ~~businesses by extending the deadline for the submission of bid~~
25 ~~proposals for contracts that are financed with the proceeds of the~~
26 ~~infrastructure-related bond acts of 2006 and, as appropriate,~~
27 ~~modifying the requirement for necessary experience.~~

28 ~~(4)~~

29 (3) Provide special assistance to all potential bidders, particularly
30 those bidders that are small or underrepresented businesses, in
31 complying with the procedures for bidding on contracts that are
32 financed with the proceeds of the infrastructure-related bond acts
33 of 2006. *In conjunction with the Director of the Office of Small*
34 *Business Advocate, hold regional collaborative workshops*
35 *throughout the state for the purpose of assisting small businesses*
36 *in understanding statutory and regulatory contract bidding*
37 *requirements for the submission of bids in response to solicitations*
38 *for the award of contracts pursuant to the infrastructure-related*
39 *bond acts of 2006.*

~~(5) Consider establishing preferences for small and underrepresented businesses in the award of contracts that are financed with the proceeds of the infrastructure-related bond acts of 2006.~~

(b) For purposes of this section, “small business” has the same meaning as set forth in subdivision (d) in Section 14837.

~~(b)~~

(c) For purposes of this section, all of the following measures are deemed to be the infrastructure-related bond acts of 2006:

(1) The Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Chapter 12.49 (commencing with Section 8879.20) of Division 1 of the Government Code).

(2) The Housing and Emergency Shelter Trust Fund Act of 2006 (Part 12 (commencing with Section 53540) of Division 31 of the Health and Safety Code).

(3) The Kindergarten-University Public Education Facilities Bond Act of 2006 (Part 69 (commencing with Section 101000) of the Education Code).

(4) The Disaster Preparedness and Flood Prevention Bond Act of 2006 (Chapter 1.699 (commencing with Section 5096.800) of Division 5 of the Public Resources Code).

(5) The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Division 43 (commencing with Section 75001) of the Public Resources Code).

~~(e)~~

(d) This section does not require the expenditure of the proceeds of the sale of the bonds described in this section, except as permitted by the measure authorizing the issuance of the bond.

(e) On or before January 1, 2009, and annually thereafter, each department that has awarded any contract financed with the proceeds of the infrastructure-related bond acts of 2006 in the previous calendar year shall report to the Director of General Services on the percentage of small businesses that have been awarded those contracts. If a department did not award at least 25 percent of those contracts to small businesses, then the department shall include in its report a plan of action to award at

- 1 *least 25 percent of the contracts to small businesses during the*
- 2 *next calendar year.*

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